

Service Level Agreement

Between

The Environmental Management Consolidated Business Center (EMCBC)

And

The Ohio Field Office (OH)

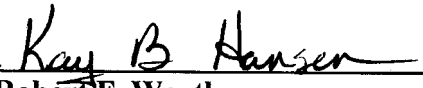
The attached document provides the roles and responsibilities, authorities, and working relationships between the EMCBC and the Ohio Field Office. This Service Level Agreement shall remain in effect until such time as it is amended by the EMCBC Director and the Ohio Field Office Manager.

Approved:



Jack R. Craig,
Director, EMCBC

3/9/05
Date



for **Robert F. Warther,**
Manager, Ohio Field Office

3/16/05
Date

**The Service Agreement
Between
Environmental Management Consolidated Business Center
And
The Ohio Field Office**

Introduction

The Assistant Secretary for Environmental Management, Department of Energy (DOE/EM), is responsible for the safe, efficient and effective clean-up, stabilization and remediation of nuclear and hazardous waste materials and contamination resulting from Cold War production activities. Activities related to this mission are conducted at many locations around the nation and are typically staffed with federal and contractor personnel that possess technical, business, logistic, and administrative expertise.

Four of the five Ohio Field Office Projects (Fernald, Mound, Columbus, and Ashtabula) are moving toward closure in the near future (2006). The fifth, West Valley Demonstration Project, will have a longer-term mission which will extend beyond FY 2006. As one of several business support improvement initiatives, EM intends to consolidate OH business and support functions for all OH sites (including the centralized Manager's Office) into a Consolidated Business Center (CBC). The EMCBC's mission is to provide centralized business support services while freeing Project resources to focus on accelerating the closure mission.

Through consolidation, EM will (i) provide continuous, stable business support services to OH Closure Projects experiencing a naturally occurring downsizing environment, (ii) provide opportunities for job enrichment and progression, (iii) achieve economies of scale through standardization and streamlined operations and (iv) permit EM to better utilize its scarce resources for front-line cleanup activities.

EMCBC Operational Strategy

OH faces a significant challenge in providing stable and responsive business support services to its Project sites in a downsizing environment. These business support services must be available to achieve major project schedule milestones through closure. The downsizing environment is occurring as field office and project site federal employees separate or retire while the vacancies created are not filled, especially at the four Projects scheduled for closure by 2006. The challenge faced by the managers at the closure sites is further exacerbated by scheduled FTE reductions over the next two years. These reductions will contribute to decreased stability for requisite business support services. The CBC strategy addresses this downsizing challenge by consolidating all business support into one location and assuring continuity of essential services needed by OH Field Office and Closure Project directors to execute their missions and to execute post-closure transition requirements.

The EMCBC will provide business support services to OH sites using a strategic model similar to that used by those DOE field offices (such as OH formerly) providing business and technical support to more than one project site. Under this model, field offices will continue to have mission responsibility for the project sites, but with the EMCBC holding the business authorities and providing all business services, field offices such as OH can focus their resources totally on technical management and oversight mission support requirements. Attributes of this operational model include the following:

Stable business support for a variety of customers with differing project mission requirements and differing business support priorities

Combined use of federal employees and support service contractors (as required) to support customers

Optimization of FTEs between the EMCBC, Field Office and Closure Projects

Customer site personnel performing more of a liaison function with respect to business services, and majority of all functional business specialists residing at EMCBC

Ability to expand EMCBC operations to accommodate additional business or technical support services provided to its customers, or expansion of the EMCBC customer base.

A travel budget to support planned and unscheduled customer site visit requirements

The EMCBC will establish itself as an effective liaison between DOE headquarters and OH, supporting the needs of both, but always representing the customers' interests and serving as the customers' advocate. Wherever possible, the EMCBC should accomplish headquarters' taskings on behalf of OH, especially when it comes to routine documentation or reporting requirements. Assuming responsibility for these routine taskings will help reduce a potentially significant and time-consuming workload accomplished by the OH sites today. To improve customer support and realize operational cost objectives, the EMCBC will develop standardized functional processes, procedures and policies whenever it makes sense.

Consolidation Approach

The creation of the EMCBC will result in a consolidation of business support responsibility from the OH sites to the EMCBC. Business support functions to be assumed include:

- Human Resources Management
- Contracting/Procurement
- Financial Management
- Information Resource Management (often referred to as "IT")
- Legal Services
- Logistics Management
- EEO/Diversity
- Technical Services (the "Closure Cadre" primarily)
- Records Management
- Office of Legacy Management (LM) transition

Business Services Consolidation (BSC) Process

Overall BSC responsibility will reside with the EMCBC Director. The Director will delegate responsibility for the BSC process to the EMCBC Assistant Directors. As the number of sites that are simultaneously undergoing transition grows, the Assistant Directors will become EMCBC site BSC liaisons to provide a single focal point at the EMCBC dedicated to transition

activities for a single function. Until the EMCBC achieves Full Operating Capability, these assistant directors will potentially have four primary responsibilities.

Activating their function within the EMCBC

Ensuring that the relocation of their particular function from all designated sites to the EMCBC is accomplished

Ensuring that all BSC actions for their designated field office/site are accomplished in a timely manner to avoid adverse impact to the site's primary mission responsibilities

Concurrently performing support services to clients already relying on the EMCBC

Human Resources

Human Resources (HR) consists of all aspects of personnel management, including: recruiting, staffing, training, classification, benefits, and organizational management. The functions performed by the Office of Civil Rights and Diversity are excluded from this definition. Even though it falls within HR in other agencies and in the private sector, it is performed by a separate office reporting directly to the EMCBC Director. HR support functions will be consolidated into the EMCBC. The mission of the HR support function within the EMCBC is to provide the complete range of support currently provided to the supported sites. Support will be provided by multi-functional specialists in the following areas: ***Classification, Compensation, Recruitment and Placement, Employee Benefits, Human Resource Development, Performance Management, Employee Relations, Labor Relations, Personnel Actions Processing and Official Personnel Folder (OPF) Management***. Additionally, future plans will include outplacement services to assist employees impacted by the site closures.

Personnel authorities for the OH are currently held by the Richland Operations Office. The EMCBC Director will assume delegated HR authorities for the OH through the EMCBC. The duties and authorities currently held at RL will be transitioned to the EMCBC by May 1, 2005.

Contracting/Procurement

To eliminate duplicative capabilities, the EMCBC will establish an Office of Contracting, which will provide contracting/procurement support services for its customers through a mix of contracting personnel located at the EMCBC or detailed to certain project sites. Contracting functions will continue as required to ensure a seamless transition to the EMCBC. The EMCBC contracting function will consolidate and streamline common contracting support activities of its customers.

The mission of the Office of Contracting is to acquire, manage, and direct the procurement of supplies and services required to support the EMCBC customers and EMCBC staff. The Assistant Director, Contracting will act as a business advisor to the EMCBC Director and ensure a high level of support is provided to its customers by the EMCBC contracting staff. The Assistant Director will accomplish the mission with a dedicated and professional staff of contracting specialists. Contracting functions to be consolidated into the EMCBC will include the following: ***Contracting Policies and Procedures Administration, Contract Award and Administration Functions, and Contractor Human Resources Management Function***.

The EMCBC Director will assume Head of Contracting Activity (HCA) authority for the OH. The HCA will be responsible for the overall management of the all OH contracting activities. Although not all inclusive, some of these responsibilities delegated to the HCA may be as follows:

Acquisition

- Approve, enter into (award/execute), administer, modify, close out, terminate and take such other actions as may be necessary and appropriate with respect to any contractual arrangement (including interagency and other funds-out agreements), committing the DOE to the obligation and expenditure of public funds.
- Concur with Field Office Manager Fee Determination.
- Ensure compliance with all applicable laws, statutes, regulations, and directives.
- Designate Competition Advocates

Assistance

- Approve, enter into (award), administer, modify, close out, terminate, and take such other actions as may be necessary and appropriate regarding financial assistance and financial incentive instruments, including but not limited to grants, cooperative agreements, loan guarantees, price support and guaranteed market agreements, committing the Department to the obligation and expenditure of public funds.

Sales

- Approve, enter into, and take such other actions as may be necessary and appropriate, with respect to agreements committing the Department to the sale of products and other services, including funds-in interagency agreements and other agreements providing reimbursable work for others.

Property

- Manage and dispose, consistent with applicable laws, regulations, policies and procedures, all personal property held by DOE for official use by Departmental employees, contractors, and recipients.

Contractor Human Relations

- Approve pension plan changes for client contractors and negotiate/resolve any pension issues that arise
- Approve and/or secure HQ approval for Workforce Transition actions
- Approve Contractor Human Relations Policies
- Convene Labor Standards Boards and make Labor Standards Determinations for client sites
- Perform other CHR duties as required

Contracting Officers

- Appoint and approve warrant levels for Contracting Officers for acquisition, assistance, and sales actions.

The Policies and Administrative Support Team will perform all those activities related to developing and maintaining plans, policies, and procedures applicable to the procurement and acquisition management process. It will provide operating procedures and guidelines related to the procurement and administrative management of the customer sites and the EMCBC to ensure EMCBC procurement actions comply with Federal, DOE Headquarters ME and DOE Headquarters EM regulatory and policy requirements and support the establishment of an EMCBC and customer site performance measurement system. Additionally, the team will administer the Minority and Small Disadvantaged Business Programs, document Contracting

Officer Warrants and Contracting Officers' Representative appointments, and manage the Acquisition Career Development Program in accordance with DOE Order 361.1

The Contract Award and Administration Team will direct, plan, and execute OH procurement support activities to include award, administration, incentive and award fee determination and closeout. In addition to the contracting staff to be located at the EMCBC, this team will station contracting officers (COs) at the OH for close interface with the prime contractors performing accelerated closure Cost-Plus-Incentive-Fee (CPIF) or complex Management and Operating (M&O) contracts. The Contract Award and Administration Team will be responsible for daily management and maintenance of the Procurement Assistance Data System (PADS) database and input into the performance measurement system supporting the President's Management Agenda.

The Contractor Human Resources Management (CHRM) Team will manage the entire realm of contractor human resources issues with the OH prime contractors. These issues include actuarial assessment of contractor pension, medical and other post-retirement benefit programs, contractor employee welfare programs, contractor training, contractor workforce transition programs and contractor labor issues in accordance with DOE Order 351.1. The team will have an active partnering relationship with the Contract Award and Administration Team throughout the entire contracting process from solicitation to negotiation to award, administration and closeout.

The EMCBC will assume HCA for the OH by March 15, 2005.

Financial Management

Financial Management Services is a multiple-function, multiple-site process. A focus of the EMCBC effort is to reduce the cost of financial management and better support EM's closure objectives by streamlining inefficient processes and/or consolidating these activities. The Financial Management Services will use a combination of EMCBC-based and Client-site based personnel to provide support to the client sites and the EMCBC. The following teams will employ primarily Center-based personnel: ***Planning and Budget Team, Financial/Accounting Services Team, and Internal Review Team.*** However, one Program or Budget Analyst position will be located at each support site.

The mission of financial management within the EMCBC is to serve as the focal point for its DOE/EM customers on financial matters by providing direction, planning, and oversight for financial policy and procedures, financial reporting, the management control program, accounting systems, and audit liaison and follow-up.

The Planning and Budget Team will manage, integrate and coordinate budget formulation, presentation, and execution. Specifically, it will direct the formulation, execution, analysis, and preparation of all customers' budget submission materials; provide administrative control of funds; develop and maintain budget planning activities and budget controls; and interface with the DOE Chief Financial Officer (CFO), as well as support the DOE CFO interface with Office of Management and Budget (OMB) and congressional committees on appropriations and other budget-related matters. The P&B Team will also periodically report the status of financial resources and results of operations, and will develop reports to support internal and external requirements regarding the financial activity and the integrity of fiscal operations. Additionally, the team will support budget development, and presentation strategy and materials in cooperation with other programs and field offices for submitting DOE/EM's annual budget

submission to Congress. Further, the planning team will be expanded to provide life-cycle planning support, as well as project management and execution support, to designated project offices.

The Financial/Accounting Services Team will function under the auspices of the Energy Finance and Accounting Service Center (EFASC) pursuant to the outcome of the Financial Services Competitive Sourcing Study performance decision announced in January 2004. Pursuant to HQ direction, these employees will be EMCBC employees under the general supervision of the Director, Financial Management Services, but will also take technical guidance from the Director, EFASC. This Team will ensure that financial data is recorded accurately and on time in accordance with applicable accounting principles and standards, and that financial reports are accurate, timely, and reliable.

Specifically, the team will establish and provide advice on financial policies and general procedural requirements for Federal accounting and reporting. Additionally, the team will direct accounting and consolidated financial reporting, including environmental liability reporting, with emphasis on contributing to the issuance of financial statements that receive an unqualified audit opinion, as well as provide accounting services for supported sites, including payroll services, travel reimbursement, case management, and contractor oversight. Further, the team will provide key support in analyzing accounting and financial issues, and recommending and/or implementing appropriate resolutions.

The Internal Review Team will promote the effective, efficient, and economical operation of its customers' programs and operations through contractor reviews, audit liaison activities, and management control assessments. Specifically, the team will be responsible for liaison activities with both internal and external audit/review organizations such as the General Accounting Office (GAO), the Defense Contract Audit Agency (DCAA), and DOE Inspector General. It will also provide assistance and meaningful financial analysis information to senior managers, program, and site entities. The team will provide oversight through objective financial analysis and management reviews, developing and tracking financial performance measures, and administering the Management Control Program. Through contractor reviews, the team will ensure appropriate performance measures/metrics are incorporated into contracts. The team will coordinate the annual Federal Managers' Financial Integrity Act (FMFIA) review, and support the "Whistleblower" Program.

The EMCBC will assume Allottee Holder responsibilities and authorities for the OH by March 15, 2005.

Information Resource Management

The February 21, 2003 policy memorandum, "Fiscal Year 2003 Headquarters' Information Technology Procurement," provides the guidance that the DOE Chief Information Officer (CIO) will consolidate common information technology (IT) services and establish a common operating environment across DOE, to "improve information resources management, simplify processes, unify information flow across the Department's business lines, improve the Department's cyber security posture and ensure that IT is prudently introduced and managed to increase efficiency." The IRM organizational structure and staffing strategy is written to take maximum advantage of the DOE Extended Common Integrated Technology Environment (eXCITE) capabilities. The IRM plan assumes that eXCITE is available "from the start" for CBC implementation. IRM is not a CBC "business function" as much as it is the enabler for consolidating the business support

functions and the means of integrating the appropriate DOE/EM activities via information sharing and systems interoperability.

The Office of IRM is responsible for policy, procedures, orders and implementation guidance for activities related to information systems; for providing IT support for the EMCBC; and for assisting the support sites in oversight of the IT-related activities. Additionally, IRM provides leadership for telecommunications, radio, telephone, and video conferencing services, and for unclassified computer security for all customer sites. This also includes planning, directing, coordinating and controlling the overall EMCBC information resources strategic planning processes, including the analysis of EMCBC internal information resources activities related to capital and operating budgets for supported sites. The services provided include: cyber security, hardware and software maintenance and support, telecommunications support, help desk, training, field site support, application development/maintenance support, and systems and work flow support.

The EMCBC Information and Resource Management organization will coordinate all aspects of DOE Information Management with the OH Information Management staff. The Assistant Director for Information and Resource Management will serve as the point of contact for these activities.

Logistics Management

The Logistics function consists of all activities related to the management of property (both real and personal) including receipt, inspection, storage, maintenance/repair, inventory management, disposal, transportation and/or fleet management. The procurement of personal property is specifically excluded from the logistics definition since it is accomplished by the contracting function within DOE. The mission of the logistics support function within the EMCBC will be to provide services in personal property, real property, traffic management, vehicle fleet management, security, emergency management, records management, and legacy management transition to the OH, and to serve as a liaison between the sites, contractors and other DOE activities. The logistics management teams include the following: ***Personal Property Management, Real Property Management, and Transportation Management.***

The Personal Property Management Team provides property oversight and management services to the customer sites and EMCBC related to the management, accountability, and disposal of personal property (including property that is in the physical possession of the site operating contractors). Personal property includes equipment, supplies, and materials acquired and owned, rented, or leased by DOE.

The Real Property Management Team provides real property oversight and management services to the customer sites and EMCBC related to the management, accountability, and disposal of real property (including property that is in the physical possession of the site operating contractors). Real property is land and anything permanently affixed to the land such as buildings, fences, and those things attached to buildings such as light fixtures, plumbing and heating fixtures, or other such items, which would be personal property if not attached. "Real property" and "real estate" are considered synonymous terms. Real property may either be "owned" by DOE or leased to it for use by some other agency.

The Director, Logistics Management is responsible for insuring the conduct of required and for cause physical inventories of personal and real property under the management and control of the OH. These inventories may be conducted by EMCBC personnel, or may be performed by

site federal or contractor personnel under the direction of the EMCBC. Periodically, the EMCBC will conduct unannounced physical inventories (either full inventories or random sample inventories) as one component of an effective property management system.

The Transportation Management Team provides support services to the OH related to the movement of personnel and material, and the management of the DOE-owned/leased vehicle fleet used to accomplish this (including those DOE-owned/leased vehicles in the physical possession of contractors). This includes movement planning, scheduling, and the management of leases to obtain necessary vehicles and other support needed to facilitate the movement of personnel/material. ***However, the oversight and management of hazardous and radioactive waste transportation associated with the closure mission will remain with the OH.*** In addition, this team will provide support services to OH in the areas of security, emergency management, and legacy management transition.

Some of the functions in this area are currently being performed by RL for the OH. The Property Management and Logistics functions/responsibilities will transfer from the OH and its RL service provider to the EMCBC by May 31, 2005.

Legal Services

The Director, Legal Services (General Counsel) will function as a member of the EMCBC staff under the general management of the EMCBC Director. Its mission will be both internal and external. Externally, the Office will function as legal counsel to the OH, providing legal representation and support as required, including FOIA, EEOICPA, Privacy Act, etc.. Internally, the Office will provide legal advice and guidance to the EMCBC Director and the staff. The Chief Counsel will also function as the manager/supervisor of the legal staff. There may be an attorney co-located at the OH who will be a generalist in the truest sense, and must be prepared to field legal questions of all varieties. This OH on-site attorney would serve as the liaison to the EMCBC to ensure resolution of issues and maintain a line of communication between the EMCBC and OH.

The Legal Services authorities will transfer from the OH to the EMCBC by March 15, 2005.

EEO/Diversity

The EEO/Diversity organization will report directly to the EMCBC Director. This organization will develop EEO/Diversity policy for the EMCBC and customer sites, provide advice to EMCBC staff and customer sites in the EEO/Diversity area, and serve as the ombudsman for the EMCBC and the OH. This office will also serve as the point of contact within the EMCBC for processing EEO complaints, administering an Employee Concerns Program, and for providing EEO/Diversity counseling.

The EEO/Diversity responsibilities will transfer from the OH to the EMCBC by June 1, 2005.

Technical Services

The Assistant Director for Technical Services will primarily serve as the supervisor to the EM Cadre staff and report to the EMCBC Director. The EM Cadre staff (25 total individuals, with 8 currently assigned to OH) are currently assigned to designated projects throughout EM and are using their specific closure knowledge and experience to support the completion of EM mission requirements. Once their work is completed at the currently designated projects they will be

redeployed to other EM critical needs. The EMCBC will serve as the home office to these technical resources and will work with EM management at HQ and in the field to assure that they are working in areas that most benefit the EM complex. These staff members may be reassigned to projects for long periods of time or may be deployed for short durations depending on the needs of the project that requires the technical support.

The EMCBC will ensure that these resources are available to support OH in its closure mission until such time their service is no longer required.